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# PRESS RELEASE

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## LaMar's Sales Increase Bucks Low-Carb Trend

*First six months for new CEO yields increased traffic, new franchises*

**DENVER** – Despite a recent downward trend for America's donut industry, LaMar's Donuts today released sales and customer-traffic figures indicating steady growth in 2004 among 24 stores in seven states, which includes nine in the Denver metro area.

In contrast to a 2.3 percent drop in doughnut industry sales volume for the 12-week period ending June 13, 2004, according to a Reuters report release on June 30th, LaMar's posted a sales increase of 15 percent from January to June 2004 over the same period in 2003. The increase is 18 percent higher than the same period in 2002. LaMar's customer traffic also increased by 2.5 percent in the same period versus 2003, and 8.1 percent more than 2002.

In March, LaMar's owners Ed Hughes and Jack Irwin appointed former restaurant design and management consultant Anthony Bonelli as the new CEO. Bonelli implemented several sweeping changes, including a co-branding program with Dazbog Coffee announced in April.

"A small part of the rise in sales is due to a price increase of 5 to 10 cents per donut," Bonelli said. "However, we just made that change in May, and even with higher prices, more people are coming to LaMar's to buy donuts."

LaMar's coffee offerings have become more visible since Bonelli's arrival. Stores have added separate Dazbog Coffee bars and a far wider range of beverages, including a line of chilled coffee refreshments.

"It's clear our customers have noticed the changes we've made," Bonelli said. "And we're not done yet. In a few weeks we'll introduce a new product that should attract considerable attention."

LaMar's continues to expand. With stores spread from Arizona to Tennessee, LaMar's has new franchise agreements to open stores in Arizona, Colorado, Kentucky, Nebraska, and Missouri, where a new location will open in LaMar's birthplace of Kansas City.

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### **About LaMar's Donuts**

Founded in 1960 by Ray Lamar, LaMar's Donuts made its debut in Kansas City. Based on the donut shop's phenomenal success and widespread reputation, franchises began selling in the early 1990s for bistro-style donut stores. LaMar's now has 24 locations in seven states: Alabama, Arizona, Colorado, Kansas, Missouri, Nebraska and Tennessee. LaMar's donuts have been recommended by *Zagat's Survey*, the *New Yorker* and *Gourmet Magazine*, and have been chosen as best donut by newspapers nationwide. Additional information can be found at [www.lamars.com](http://www.lamars.com).